GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:2708
ANSWERED ON:15.12.2015
Crop Insurance
Azad Shri Kirti (JHA);Rao (Avnthi) Shri Muthamsetti Srinivasa;Reddy Shri Konda Vishweshwar;Singh Deo Shri Kalikesh Narayan

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) the details of the total agricultural crop output in the country which is insurable and the quantum of agricultural crop which has been insured under the crop insurance schemes at present;

(b) whether it is a fact that the premium rates under the National Crop Insurance Scheme are high thus making the scheme unaffordable for small farmers, if so, the steps taken by the Government to reduce the premium rates for farmers;

(c) the details of the amount of premium received vis-a-vis claims paid under all crop insurance schemes during the last three years and the current year, year-wise, till date;

(d) whether there is a discrepancy in credit release by the banks under the scheme, wherein more money is disbursed during Kharif season and less credit is released during Rabi season, if so, the reasons therefor;

(e) whether the Union Government has received various complaints from farmers about non-payment of compensation in the event of natural calamities under the crop insurance schemes; and

(f) the steps taken by the Government to provide adequate compensation to the farmers under the various crop insurance schemes?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a): Crop Insurance schemes envisages coverage of food, oilseeds and commercial/ horticultural crops for which past yield data and weather data is available for requisite number of years. Therefore, all the aforesaid crops are insurable under crop insurance schemes. However, the total value of the crop (sum insured) depends on notification of areas/crops by the State Governments. During 2014-15 a sum of Rs.8141627.1 lakh has been insured under different Government sponsored crop insurance schemes.

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(b): No, Madam. Nominal rates of premium ranging between 1.5% to 3.5% of sum insured are charged for food & oilseeds crops under National Agricultural Insurance Scheme (NAIS), which are much less than the actuarial premium rates. However, actuarial premium rates are charged for annual commercial/horticultural crops and higher sum insured/indemnity level for food & oilseeds crops. 10% subsidy in premium is being provided to small & marginal farmers.

(c): Details of premium received and claims paid during last three years under various crop insurance are at Annexure.

(d): No, Madam. There is no discrepancy in credit release by the banks. However, due to the reasons like renewal of credit limit in the beginning of financial year for whole year i.e. both Kharif & Rabi seasons, liberty to farmers to withdraw annual sanctioned limit of Kisan Credit Cards any time in the financial year, relatively higher investment during Kharif season etc., disbursement of credit is higher during Kharif seasons.

(e): No, Madam. However, some complaints about non-payment and delayed payment of claims; under payment of claims on account of incorrect/delayed submission of insurance proposals by banks; unrealistic assessment of crop loss due to large unit area of insurance; delay in providing Government share of funds etc., have been received in the past. As far as possible, all the complaints have been suitably addressed by the Insurer and the Ministry.

(f): Under Crop Insurance Scheme, the admissible claims to the farmers are calculated as per the stipulated provisions of the respective scheme. However, the farmer has the option to insure their crop up to 150% of average yield.